

Referral
5/28/19

**BUDGET,
FINANCE, AND
AUDIT STANDING
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Deputy Director


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Theresa Thomas
Kathryn Lynch Underwood

TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: May 22, 2019

RE: Report on Gaming Tax Revenue through April 2019

For Council's review, the attached schedules present the gaming tax revenue activity through April 2019 and prior fiscal years.

Through the tenth month of the fiscal year the casinos reported a combined gross gaming receipts increase of 3.24% compared to the same period in the prior fiscal year. Broken out by casino, MGM's gross receipts are up by 4.66%, Motor City's are up by 1.20% and Greektown's are up by 3.67%, compared with the first ten months of the prior fiscal year.

In the tenth month of the fiscal year, the City collected \$14.88 million in gaming tax revenue, which was 0.85% greater than April 2018, as reflected in Chart 1. Chart 2 "Monthly Detroit Gaming Tax Collections" through a twelve-month moving average trend line shows an increase of 3.15% since last April among the combined casino tax revenues. Based on existing data, there is projected to be a surplus of \$3.14 million compared to budget for the fiscal year for a gaming revenue total of \$183.92 million, a 2.76% increase over last year.

Adjusted gross casino gaming receipts were reported at \$125.07 million for the month of April 2019 as shown in Chart 1A. This represented a 0.85% gain compared with April 2018. Chart 2A "Monthly Detroit Gaming Receipts" through a twelve-month moving average trend line shows growth of 3.12% among the combined casino receipts.

MGM and Motor City are each paying 12.9% of adjusted gross gaming receipts to the City, while Greektown Casino is paying 11.9% of adjusted gross gaming receipts and is broken out as follows. By state law, all casinos are now paying 10.9% of adjusted gross gaming receipts to the City as wagering tax. The casinos also have an additional 1% payment because of the 2002 amended development agreement with the City. Additionally, if a casino reaches \$400 million in adjusted gross gaming receipts in a calendar year, like MGM and Motor City, then an additional 1% is paid to the City per the amended development agreement of 2002.

There is not a complete one-to-one relationship between the adjusted gross receipts and the tax revenue collection increases when comparing prior years, due to two factors. First, there is the fact that MGM and Motor City casinos began paying the City 1% less due to the permanent casinos opening on October 3 and November 29 of 2007. This reduction to the City is part of state Public Act 306 of 2004, when the legislature amended Public Act 69 of 1997, which was the original casino gaming legislation. P.A. 306 increased the wagering tax by 6% of which 2% went to the City of Detroit. P.A. 306 also allowed that when the permanent casino had been certified by the state gaming board as having operated for 30 consecutive days and once the City determined the project was complete, 5% of the 6% additional wagering tax would be eliminated, with the remaining 1% allocated to the City where the casino is being operated. Greektown continued to pay the 6% additional wagering tax – 4% to the state, 2% to the City – until its permanent status was agreed to by the Administration and approved by the State Gaming Commission, which occurred on March 9, 2010.

Second, the amended development agreement of August 2002 between the City and the casinos, which is separate from the state law, has all casinos, beginning in January 2006, paying an additional 1% over the state law, plus another 1% when the casino reaches \$400 million in adjusted gross gaming receipts in a calendar year. For the thirteenth year, MGM and Motor City each did exceed \$400 million in the calendar year and increased gaming tax collections by \$11.09 million between August and December. MGM reached \$400 million in August, a month earlier than prior years, and Motor City reached \$400 million in October similar to last year. MGM's additional 1% totaled \$6.19 million and Motor City's totaled \$4.89 million.

Attachments (5)

cc: Auditor General
David Massaron, CFO
John Naglick, Finance Director
Tanya Stoudemire, Budget Director
Renee Short, Budget Manager
Steve Watson, Budget Manager
James George, Agency CFO
Stephanie Washington, Mayor's Office

Chart 1

Monthly Comparison Detroit Gaming Tax Collections By Fiscal Year

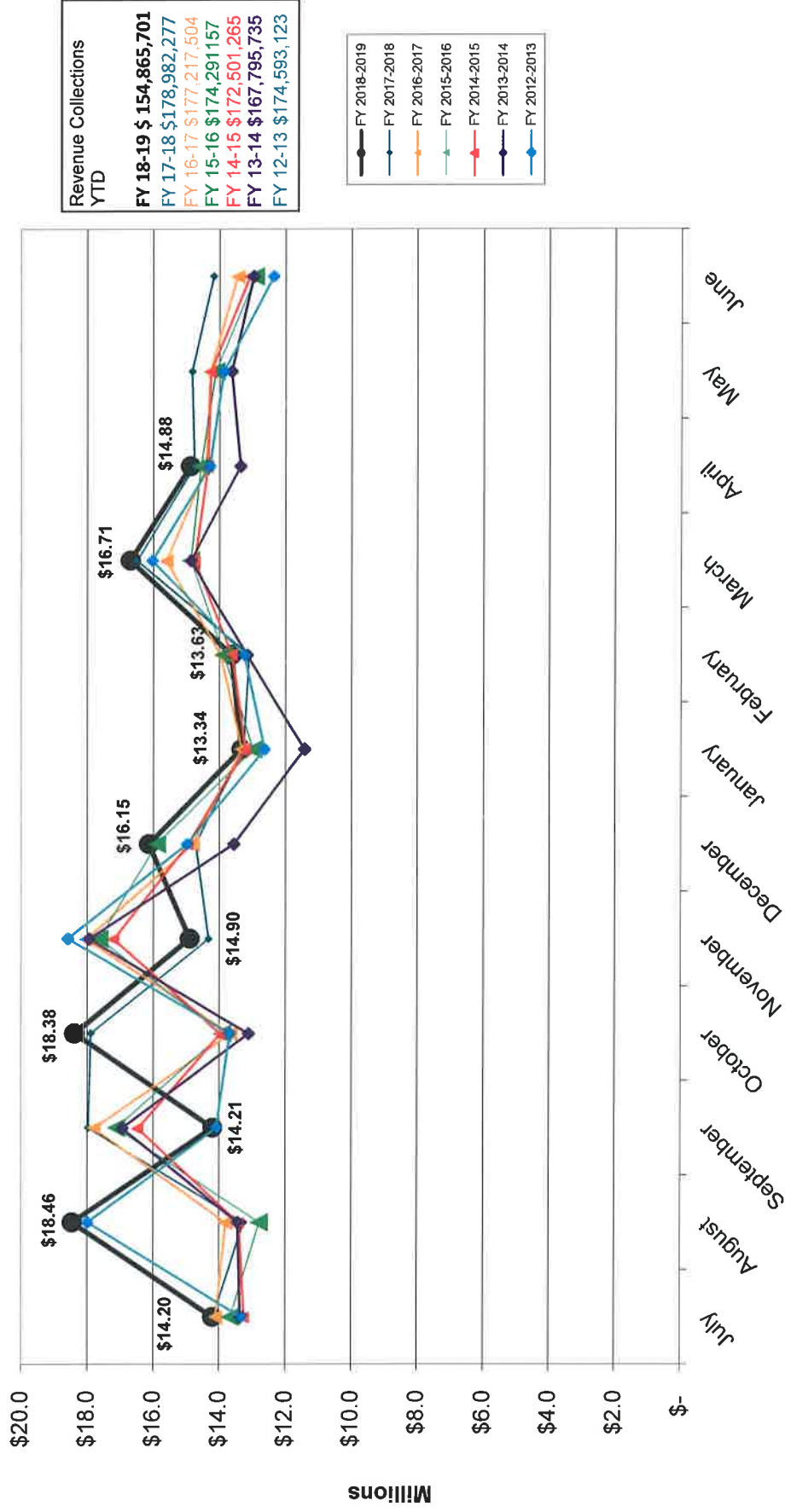


Chart1A

Monthly Comparison Adjusted Gross Casino Gaming Receipts By Fiscal Year

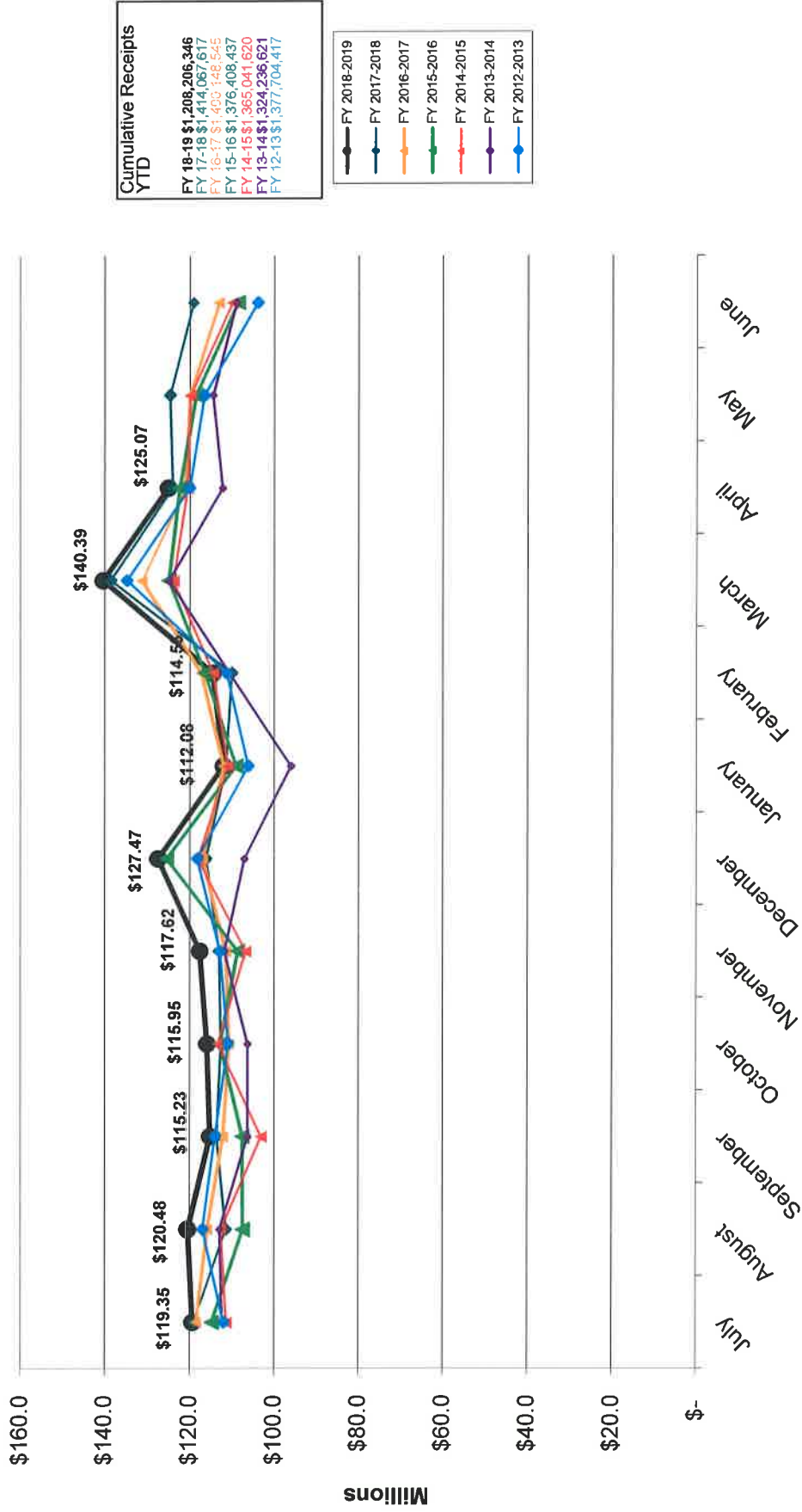


Chart 2

Monthly Detroit Gaming Tax Collection History

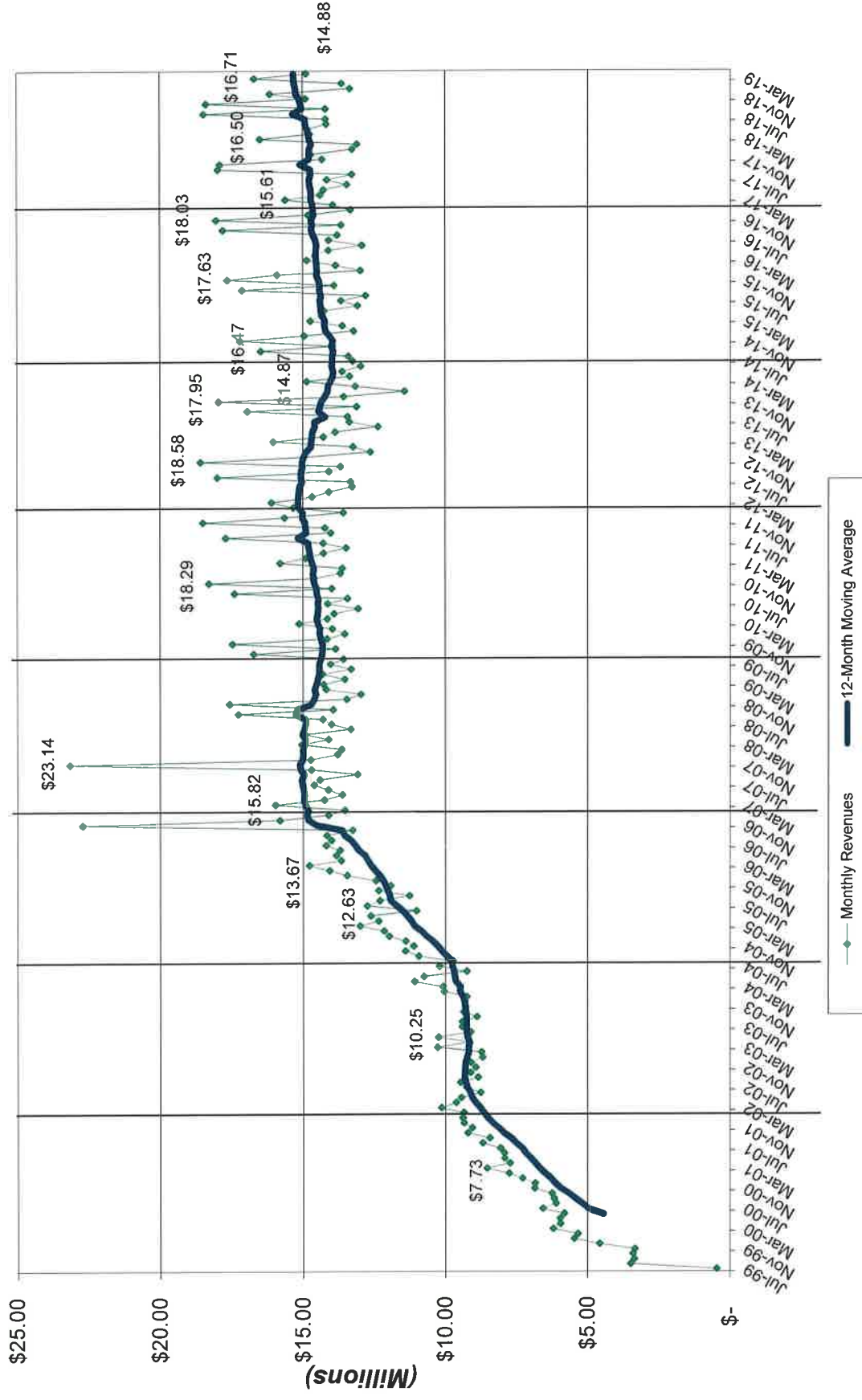


Chart 2A

Monthly Adjusted Gross Casino Gaming Receipt History

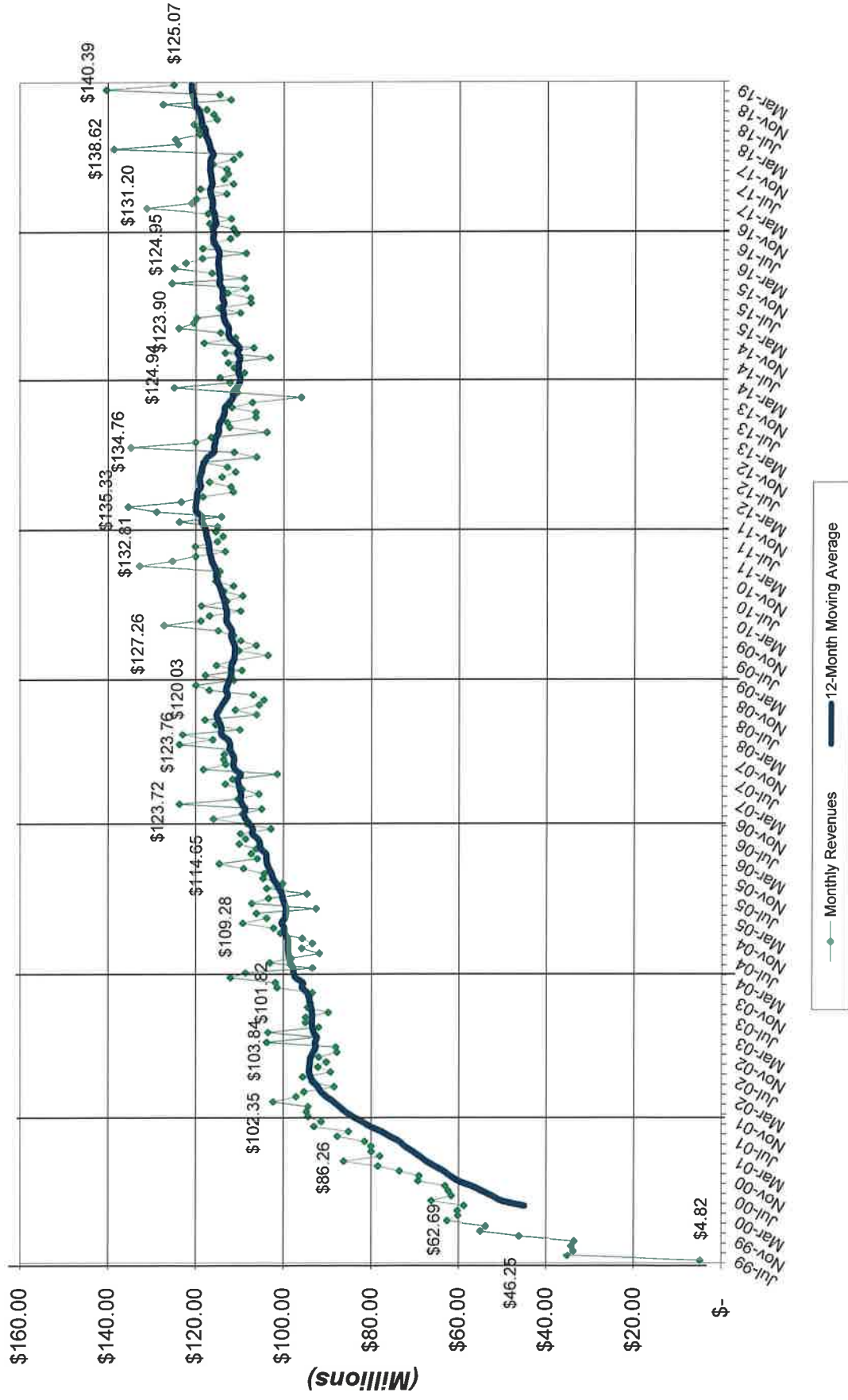


Table 1

Wagering Tax History and Tax Projections - All Casinos

| | Total Adjusted Gross Receipts | Chng. over prior year | Total Adjusted Gross Receipts | Chng. over prior year | Total Adjusted Gross Receipts | Chng. over prior year | Total Adjusted Gross Receipts | Chng. over prior year | Total Adjusted Gross Receipts | Chng. over prior year | | |
|---|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|---------------------|----------|
| | FY 13-14 | | FY 14-15 | | FY 15-16 | | FY 16-17 | | FY 17-18 | | FY 18-19 | |
| July | \$ 112,324,111.14 | 0.29% | \$ 111,335,628.63 | -0.88% | \$ 114,773,549.99 | 3.09% | \$ 118,462,544.37 | 3.21% | \$ 119,025,164.52 | 0.47% | \$ 119,352,251.03 | 0.27% |
| August | \$ 112,898,452.02 | -3.45% | \$ 112,662,906.77 | -0.21% | \$ 107,454,382.18 | -4.62% | \$ 115,902,952.67 | 7.86% | \$ 111,475,141.33 | -3.82% | \$ 120,481,280.32 | 8.08% |
| September | \$ 106,340,200.54 | -6.78% | \$ 103,111,649.21 | -3.04% | \$ 107,556,002.33 | 4.31% | \$ 112,167,563.98 | 4.29% | \$ 113,650,378.92 | 1.32% | \$ 115,227,814.05 | 1.39% |
| October | \$ 106,324,915.12 | -4.17% | \$ 113,375,138.17 | 6.63% | \$ 112,839,250.36 | -0.47% | \$ 110,737,995.50 | -1.86% | \$ 112,667,682.55 | 1.74% | \$ 115,953,356.87 | 2.92% |
| November | \$ 111,841,042.99 | -0.90% | \$ 106,779,739.55 | -4.53% | \$ 108,679,663.84 | 1.78% | \$ 111,502,032.31 | 2.60% | \$ 113,084,415.06 | 1.42% | \$ 117,619,810.33 | 4.01% |
| December | \$ 107,124,733.60 | -9.40% | \$ 118,134,341.40 | 10.28% | \$ 125,463,371.75 | 6.20% | \$ 116,907,871.10 | -8.82% | \$ 116,166,313.36 | -0.63% | \$ 127,466,750.31 | 9.73% |
| January | \$ 98,048,307.53 | -9.54% | \$ 111,021,844.76 | 15.59% | \$ 109,066,698.11 | 1.76% | \$ 112,004,791.29 | 2.69% | \$ 111,494,603.74 | -0.46% | \$ 112,084,778.90 | 0.53% |
| February | \$ 110,608,613.45 | -0.62% | \$ 114,422,344.27 | 3.45% | \$ 116,400,992.94 | 1.73% | \$ 117,241,823.84 | 0.72% | \$ 110,086,016.70 | -6.10% | \$ 114,560,012.15 | 4.06% |
| March | \$ 124,936,684.16 | -7.29% | \$ 123,903,906.42 | -0.83% | \$ 124,949,116.99 | 0.84% | \$ 131,203,575.63 | 5.01% | \$ 138,618,493.30 | 5.65% | \$ 140,386,269.94 | 1.28% |
| April | \$ 112,273,443.83 | -6.47% | \$ 120,548,875.91 | 7.37% | \$ 122,356,901.35 | 1.50% | \$ 120,997,540.75 | -1.11% | \$ 124,023,991.41 | 2.50% | \$ 125,074,021.85 | 0.85% |
| May | \$ 114,508,495.99 | -1.73% | \$ 119,815,053.34 | 4.63% | \$ 118,534,756.46 | -1.07% | \$ 119,945,866.90 | 1.19% | \$ 124,659,270.12 | 3.93% | \$ - | -100.00% |
| June | \$ 109,007,620.90 | -4.96% | \$ 109,930,191.80 | 0.85% | \$ 108,612,340.75 | -1.20% | \$ 113,073,887.16 | 4.11% | \$ 119,116,145.61 | 5.34% | \$ - | -100.00% |
| TOT RECEIPTS thru FY | \$ 1,324,236,621.27 | -3.88% | \$ 1,365,041,620.23 | 3.08% | \$ 1,376,687,027.05 | 0.85% | \$ 1,400,148,545.50 | 1.70% | \$ 1,414,067,616.62 | 0.99% | \$ 1,208,206,345.75 | -3.11% |
| TOT RECEIPTS thru Cal Yr. | \$ 1,349,503,615.26 | -4.75% | \$ 1,332,782,569.59 | -1.24% | \$ 1,376,408,436.95 | 3.27% | \$ 1,385,601,766.53 | 0.67% | \$ 1,400,536,681.31 | 1.08% | \$ 1,444,099,783.79 | 3.11% |
| Wagering Tax - pre 9/2004 (State Wagering Tax - post 9/2004 (State Wagering Tax - post 1/2006 (Dev. Add'l 1% after calendar year this | 12.90% | | 12.90% | | 12.90% | | 12.90% | | 12.90% | | 12.90% | |
| \$400 M (Dev. Agrmt) after permanent opens Wagering Tax FYTD | 1.00% | | 1.00% | | 1.00% | | 1.00% | | 1.00% | | 1.00% | |
| Add'l 1% after casino reaches \$400M during calendar year (Dev Agrmt) | 11.90% | | 11.90% | | 11.90% | | 11.90% | | 11.90% | | 11.90% | |
| Total Revenue FYTD | \$ 157,584,157.93 | | \$ 162,439,952.81 | | \$ 163,825,756.22 | 0.85% | \$ 166,617,676.91 | | \$ 168,274,046.38 | | \$ 143,776,555.14 | |
| First 10 Months' Receipts | \$ 10,211,576.83 | -4.08% | \$ 10,061,311.75 | -1.47% | \$ 10,465,401.23 | 4.02% | \$ 10,599,827.55 | 1.28% | \$ 10,708,230.46 | 1.02% | \$ 11,089,146.20 | 3.56% |
| Last 2 Months' Receipts | \$ 167,795,734.76 | -3.89% | \$ 172,501,264.56 | 2.80% | \$ 174,291,157.45 | 1.04% | \$ 177,217,504.46 | 1.68% | \$ 178,982,276.84 | 0.9958% | \$ 154,865,701.35 | |
| Ratio of 10 Month to 2 Months est. last 2 months' receipts est. total annual receipts | \$ 1,100,720,504.38 | -4.89% | \$ 1,135,296,375.09 | 3.14% | \$ 1,149,539,929.84 | 1.25% | \$ 1,167,128,691.44 | 1.53% | \$ 1,170,292,200.89 | 0.27% | \$ 1,208,206,345.75 | 3.24% |
| Fiscal Year's | \$ 223,516,116.89 | | \$ 229,745,245.14 | | \$ 227,147,097.21 | | \$ 233,019,854.06 | | \$ 243,775,415.73 | | \$ - | |
| Ratio of 10 Month to 2 Months est. last 2 months' receipts est. total annual receipts | 20.31% | | 20.24% | | 19.76% | | 19.97% | | 20.83% | | 20.20% | |
| Fiscal Year's Wagering Tax (est) | | | | | | | | | | | | |
| Budget | \$ 170,000,000.00 | | \$ 168,000,000.00 | | \$ 169,042,005.00 | | \$ 175,200,000.00 | | \$ 177,780,000.00 | | \$ 180,779,000.00 | |
| Surplus/Deficit | \$ (2,204,265.24) | | \$ 4,501,264.56 | | \$ 5,249,152.45 | | \$ 2,017,504.46 | | \$ 1,202,276.84 | | \$ 3,143,048.48 | |

City of Detroit
OFFICE OF THE CITY CLERK

2

Janice M. Winfrey
City Clerk

Caven A. West
Deputy City Clerk

May 22, 2019

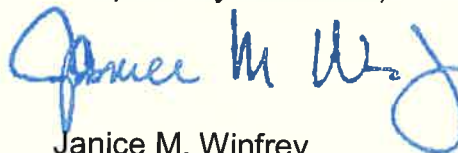
Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
Corktown**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of two (2) application for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

| <u>Zone</u> | <u>Address</u> | <u>Application No.</u> |
|--------------------|-----------------------|-------------------------------|
| Corktown | 2221 Wabash | 06-8542 |
| Corktown | 2225 Wabash | 06-8543 |

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
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Brenda Goss-Andrews
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David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

CITY CLERK 2019 MAY 15 PM 4:09

May 15, 2019

HONORABLE CITY COUNCIL

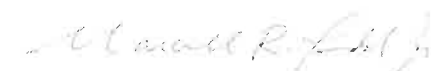
RE: Neighborhood Enterprise Zone Certificate Applications for one (1) rehabilitated facility and one (1) new construction duplex home located at 2221 and 2225 Wabash Avenue, respectively in the Corktown West Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received two (2) applications requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of 1) a single-family residential property and 2) the adding of an addition resulting in the duplexing of the property located at 2221 Wabash Avenue. The new addition will be identified as 2225 Wabash Avenue. These applications correspond to a qualified site. The project associated with 2221 Wabash Avenue consists of the rehabilitation of a 700 square foot cottage with a 400 square foot addition at a cost of \$246,116. The project associated with 2225 Wabash Avenue consists of the new construction of a two-unit duplex measuring approximately 11,000 square feet per unit at a cost of \$250,000.

The subject properties have been confirmed as being within the boundaries of the Corktown West NEZ which was established by a vote of Council on November 18, 1999, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The NEZ certificate applications appear to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk

(W)

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- **In 2016, the Council developed a new system of review for the approval of certain NEZ certificates:**

LPD assisted in developing a system for which the Council applied a greater level of scrutiny at the NEZ Zone approval stage. The recent upswing in the use of NEZs for the development of apartment buildings and condos downtown and in “Downtown Revitalization Districts,”¹ instead of just neighborhood single family residents, created a need for this review.

This Neighborhood Enterprise Zone was established in 1999, which is prior to the development of a system of additional financial review for NEZs in **2016**, therefore there is no additional fiscal review for this item.

¹ Created under Michigan 2008: Public Act 204 & Public Act 228



City of Detroit
OFFICE OF THE CITY CLERK



Janice M. Winfrey
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Caven A. West
Deputy City Clerk

May 22, 2019

Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
Corktown**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of ten (10) applications for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,

Janice M. Winfrey
City Clerk

JMW:aj
Enc.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from as valorem property taxes, and the imposition of specific property tax in lieu of as valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

| <u>Zone</u> | <u>Address</u> | <u>Application No.</u> |
|--------------------|-----------------------|-------------------------------|
| Corktown | 1336 Bagley Ave. | 06-8532 |
| Corktown | 1338 Bagley Ave. | 06-8533 |
| Corktown | 1340 Bagley Ave. | 06-8534 |
| Corktown | 1342 Bagley Ave. | 06-8535 |
| Corktown | 1344 Bagley Ave. | 06-8536 |
| Corktown | 1346 Bagley Ave. | 06-8537 |
| Corktown | 1348 Bagley Ave. | 06-8538 |
| Corktown | 1350 Bagley Ave. | 06-8539 |
| Corktown | 1352 Bagley Ave. | 06-8540 |
| Corktown | 1354 Bagley Ave. | 06-8541 |

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Angy Webb

CITY CLERK MAY 15 PM 4:09

May 15, 2019

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for ten (10) new condominium facilities located at 1336, 1338, 1340, 1342, 1344, 1346, 1348, 1350, 1352 and 1354 Bagley Avenue in the Corktown Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received ten (10) applications requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the new construction of ten (10) condominium facilities located at 1336, 1338, 1340, 1342, 1344, 1346, 1348, 1350, 1352 and 1354 Bagley Avenue. These applications correspond to a qualified site that will facilitate the new construction of ten (10) condominium units and a detached garage building for 10 vehicles. The condominium units will be approximately 2,200 square feet. Each unit will contain a kitchen, living room, dining room, three bedrooms, two bathrooms, and a laundry. The units will also have a front courtyard space or roof-deck and rear patios. The garage will house one car per unit, with an additional outdoor parking space for one car per unit.

The subject properties have been confirmed as being within the boundaries of the Corktown NEZ which was established by a vote of Council on October 5, 1994, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The estimated cost of construction for this development is anticipated at a cost of \$480,000.00. The NEZ certificate applications appear to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk

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- **In 2016, the Council developed a new system of review for the approval of certain NEZ certificates:**

LPD assisted in developing a system for which the Council applied a greater level of scrutiny at the NEZ Zone approval stage. The recent upswing in the use of NEZs for the development of apartment buildings and condos downtown and in “Downtown Revitalization Districts,”¹ instead of just neighborhood single family residents, created a need for this review.

This Neighborhood Enterprise Zone was established in 1994, which is prior to the development of a system of additional financial review for NEZs in **2016**, therefore there is no additional fiscal review for this item.

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4

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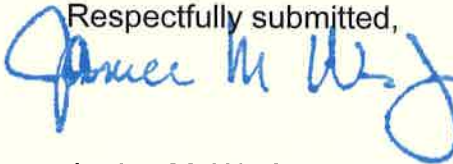
May 22, 2019

Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
East Ferry (Amended)**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of two (2) applications for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,


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Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

May 21, 2019

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for two (2) newly constructed condominium units located at 411 and 423 East Ferry Avenue in the East Ferry Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)

One Tuesday, February 5, 2019 Your Honorable Body voted to approve the two aforementioned Neighborhood Enterprise Zone (NEZ) applications based upon the recommendation of The City Planning Commission (CPC) staff. The office of the CPC had received two (2) applications requesting an NEZ certificate forwarded from the office of the City Clerk for the construction of new condominium units located at 411 and 423 East Ferry Avenue. These applications correspond to a qualified site that will facilitate the new construction of two carriage house style condominiums with attached garages. CPC staff had reviewed the applications and recommends approval.

The subject properties have been confirmed as being within the boundaries of the East Ferry NEZ and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The NEZ certificate applications appear to have been submitted within six months of the development being issued building permits on June 15, 2018.

The State Tax Commission had received the developer's NEZ exemption applications for 411 East Ferry and 423 East Ferry; citing that the files N2019-028 and N2019-029 were incomplete and require the submission of additional information in order to continue processing the applications.

The building permits submitting along with the applications show that the permits were issued on June 15, 2018 and the applications were filed with the City of Detroit Clerk's office on November 26, 2018. MCL 207.774 states that the application must be filed **before** a building permit is issued or as otherwise provided by the local governmental unit by resolution if the application is filed not later than 6 months following the date the building permit is issued. This provision within the NEZ statute states that an application can be filed but not later than 6 months following the date the building permit was issued if the local governmental unit has specific language within the application approval resolution. The resolution adopted by the City of Detroit did not contain language that approves the submission of the applications after the issuance of the building permit.

In order to proceed the City of Detroit would have to approve the late submission and amend the resolution approving the application to include language accepting the applications being filed no later than 6 month following the date the building permit was issued.

CITY CLERK 22 MAY 2019 4:10:00

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific property tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992; and

WHEREAS, The building permits submitting along with the applications show that the permits were issued on June 15, 2018 and the applications were filed with the City of Detroit Clerk's office on November 26, 2018. MCL 207.774 states that the application must be filed before a building permit is issued or as otherwise provided by the local governmental unit by resolution if the application is filed not later than 6 months following the date the building permit is issued.

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the applications to the State Tax Commission, noting that the applications were submitted not later than 6 months following the date the building permits were issued pursuant to the provisions of Public Action 147 of 1992.

BE IT FINALLY RESOLVED, That the Detroit City Council approves the following addresses for receipt of Neighborhood Enterprise Zone Certificates for a fifteen-year period:

| <u>Zone</u> | <u>Address</u> | <u>Application No.</u> |
|-------------|----------------|------------------------|
| East Ferry | 411 East Ferry | 06-8496 |
| East Ferry | 423 East Ferry | 06-8497 |

(W)

CITY CLERK 22 MAY 2019 AM 10:09



Detroit District 4
Councilman André L. Spivey

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MEMO

To: Lawrence Garcia, Corporation Counsel, Law Department
Chuck Raimi, Deputy Corporation Counsel, Law Department

Thru: Councilmember Janeé Ayers. Chair, Budget Finance and Audit Committee

From: Councilman André L. Spivey

Date: May 22, 2019

RE: **Joint Venture Request**

What legal avenues exist for the City of Detroit to require contractors, who receive general fund dollars, tax abatements and other financial assistance granted by the City, to enter into joint ventures with businesses considered Disadvantaged Business Enterprises (*as defined federally*) and or Geographically-Disadvantaged Business Enterprises (*as defined by Michigan's Executive Directive 2019-08*)?

Thank you,

Cc: Boysie Jackson, Chief Procurement Officer, Office of Procurement

Deonte Agee, Committee Clerk

Ericka Whitley-Savage, City Council Liaison, Law

Stephanie Washington, City Council Liaison, Mayor's Office